
Health Care & Wellness Committee

HB 1155

Brief Description: Concerning billing for medical services provided through special education programs.

Sponsors: Representatives Hinkle, Green, Cody and Wallace; by request of Department of Social and Health Services.

Brief Summary of Bill

- Repeals provisions relating to billing for medical services provided through special education programs.

Hearing Date: 2/5/09

Staff: Jim Morishima (786-7191)

Background:

School districts are eligible to receive Medicaid reimbursement for medical services they provide to special education students. In 1993, the Legislature created a system through which school districts could seek this Medicaid reimbursement. Key components of this system included:

- establishing a statewide billing agent to act as the state's billing agent for medical services provided through special education programs;
- allowing school districts to act as their own billing agents; and
- requiring the Department of Social and Health Services (DSHS) to establish a reimbursement system based on the costs of medical services in special education programs.

Under the system, all Medicaid payments would be made directly to the Office of the Superintendent of Public Instruction (OSPI). The OSPI would then disburse the funds, including reimbursement to the DSHS for the state-funded portion of the Medicaid payments, reimbursement for the billing agent's fees, incentive payments to school districts, and disbursements to school districts for special education programs.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

As a consequence of a federal audit, the Centers for Medicare and Medicaid Services (CMS) found several problems with this system of reimbursement including the fact that services were being reimbursed on a cost-basis (rather than at a uniform rate) and the OSPI's role in the disbursement system. The CMS ordered the DSHS to change the way in which it calculates reimbursement rates, reimburse the school districts directly, and to end the involvement of the OSPI. In September of 2007, the DSHS complied with the directive, thereby abandoning the 1993 statutory system.

Summary of Bill:

Statutory provisions relating to billing for medical services provided through special education programs are repealed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.